

**48-101-507. Professional solicitor — Fund raising counsel — Registration — Qualifications — Employees — Bond — Fee — Reports. —**

(a) (1) No person shall act as a professional solicitor for any charitable organization, whether exempt from the provisions of this part or not, unless such person has first registered with the secretary of state. Registration shall include the filing of a complete application, bond and filing fee.

(2) No person who has been convicted within the past five (5) years for a violation of any provision of this part, and no person convicted of a felony in this or any other state, shall serve as an employee, member, officer or agent of any professional solicitor until such person's civil rights have been restored. The professional solicitor shall maintain during each solicitation campaign and for three (3) years after its completion the name and address of each employee, agent, or other person involved in the solicitation campaign.

(3) Application for registration shall be in writing in the form prescribed by the secretary of state and contain such information as the secretary of state may require. A registration application that contains false, misleading, deceptive or incomplete information or document shall not be considered sufficient or complete. All registrations for professional solicitors shall expire on December 31 of the year for which they are issued.

(4) Applications received after December 31 shall be assessed a late fee of twenty-five dollars (\$25.00) for each month, or portion thereof, that the report is late filed. The late filing fee shall accompany every late-filed application. In addition to the late fee provided for herein, any organization which files a late application is also subject to the imposition of civil penalties for violation of any portion of this section.

(5) A bond in the sum of twenty-five thousand dollars (\$25,000) shall be filed with the registration application and shall be approved by the secretary of state. The bond shall name the applicant as the principal obligor with one (1) or more sureties, satisfactory to the secretary of state, whose liability in the aggregate as such sureties will at least equal that sum. It shall be payable to the State of Tennessee for the use of the secretary of state and any person who may have a cause of action against the obligor of the bond for any violations under this part or for any losses resulting from malfeasance, nonfeasance or misfeasance in the conduct of solicitation activities. An individual, partnership or corporation, which is a professional solicitor, may file a consolidated bond on behalf of all its members, officers and employees. The bond shall continue in effect so long as a registration is in effect.

(6) The annual registration fee for every person who is a professional solicitor shall be eight hundred dollars (\$800).

(b) [Deleted by 2007 amendment.]

(c) (1) No person shall act as a fundraising counsel for any charitable organization, whether exempt from the provisions of this part or not, unless such person has first registered with the secretary of state. Registration shall include the filing of a complete application and filing fee.

(2) Application for registration shall be in writing in the form prescribed by the secretary of state and contain such information as the secretary of state may require. A registration application that contains false, misleading, deceptive or incomplete information or document shall not be considered sufficient or complete. All registrations for fundraising counsel shall expire on December 31 of the year for which they are issued.

(3) [Deleted by 2007 amendment.]

(4) Applications received after December 31 shall be assessed a late fee of twenty-five dollars (\$25.00) for each month, or portion thereof, that the application is late filed. The late filing fee shall accompany every late-filed application. In addition to the late fee provided for herein, any person who files a late application is also subject to the imposition of civil penalties for violation of any portion of this section.

(5) The annual registration fee for every person who is a fundraising counsel shall be two hundred fifty dollars (\$250).

(d) (1) A professional solicitor shall file a financial report for a solicitation campaign with the secretary of state within ninety (90) days after a solicitation campaign has been completed or within ninety (90) days after the end of the fiscal year end of any campaign which lasts for more than one (1) year. The financial report shall include gross revenue and an itemization of all expenditures from those funds. The report shall be completed on a form prescribed by the secretary of state and signed by an authorized official of the professional solicitor and two (2) authorized officials of the charitable organization, who shall certify that such report is true and complete to the best of their knowledge. The financial report shall be audited by an independent certified public accountant in accordance with generally accepted auditing standards or regulations which may be issued by the secretary of state. If the solicitation campaign which is conducted by a professional solicitor is one conducted nationally or regionally and is not confined only to this state, the financial information required to be filed pursuant to this subsection (d) shall be inclusive of the national or regional campaign. Each charitable organization shall make available to its professional solicitor any necessary fiscal or other records needed to enable the professional solicitor to comply with this subsection (d).

(2) Financial reports for solicitation campaigns shall be assessed a late fee of twenty-five dollars (\$25.00) for each month, or portion thereof, that the report is late filed. The late filing fee shall accompany every late-filed campaign report. In addition to the late fee provided for herein, any person who files a late financial report is also subject to the imposition of civil penalties for violation of any portion of this section.

(3) A professional solicitor or fund-raising counsel who, by contractual agreement with a charitable organization, does not receive donations on behalf of a charitable organization, does not have access to the funds raised and does not make deposits to and does not have signature authority with, or any other authority over, a charitable organization's bank accounts, shall not be required to file an audited financial statement as set forth in subdivision (d)(1). In lieu of the audited financial statement, the professional solicitor or fund-raising counsel shall be required to file with the secretary of state, on a form approved by the secretary of state, a financial report which provides an itemization of expenses, costs, reimbursements and fees the charitable organization is charged for each solicitation campaign performed. The form shall be due within ninety (90) days after the completion of any campaign or within ninety (90) days after the end of the fiscal year of any campaign which lasts longer than one (1) year. The report shall be signed by an authorized official of the professional solicitor and two (2) authorized officials of the charitable organization, who shall certify under oath that such report is true and complete to the best of their knowledge.

[Acts 1976, ch. 735, § 7; T.C.A., § 48-2207; Acts 1989, ch. 285, §§ 12-17; 1991, ch. 299, §§ 4-7; 1993, ch. 252, §§ 2, 3; 1994, ch. 667, §§ 19-24; T.C.A., § 48-3-507; Acts 1997, ch. 227, §§ 4-11; 2001, ch. 97, §§ 2-4; 2007, ch. 523, §§ 17-23, 38.]